January 17, 1996

VIA HAND DELIVERY

Mr. John M. Leutza Chief, Telecommunications Branch Commission Advisory and Compliance Division California Public Utilities Commission 505 Van Ness Avenue, Room 3203 San Francisco, CA 94102

Re: TCG San Francisco (U-5454-C) - Advice Letter No. 3
TCG Los Angeles (U-5462-C) - Advice Letter No. 4
TCG San Diego (U-5389-C) - Advice Letter No. 4

Pacific Bell (U-1001-C) - Advice Letter No. 18010

Dear Mr. Leutza:

TCG San Francisco (U-5454-C), TCG Los Angeles (U-5462-C), TCG San Diego (U-5389-C) (collectively "TCG") and Pacific Bell (U-1001-C) hereby jointly transmit for filing an original plus five copies of their Advice Letter Nos. 3, 3, 4 and 18010, respectively. The purpose of this filing is to submit for the Commission's approval, pursuant to D. 95-12-056 (the "Decision"), an Interconnection Agreement entered into by and between TCG and Pacific Bell This Agreement, attached to the advice letter, is submitted under the expedited review procedure authorized in the Decision, as set forth at pages 39 - 42 and in Ordering Paragraphs 9 and 10.

TCG and Pacific Bell have negotiated this Agreement in good faith, in accordance with the terms of the Decision. The Agreement is designed to provide for interconnection arrangements between the parties that are consistent with and achieve the "preferred outcomes" set forth in Appendix A to the Decision. Specifically, the interconnection Agreement between TCG and Pacific Bell provides:

a) TCG and Pacific Bell have agreed in Section V.C to compensate each other for use of each other's networks with respect to facilities supplied for the transport element of the arrangement and have agreed in Sections V.B.1 and V.B.2 to compensate each other for call terminations at tariffed rates, except for the use of bill and keep for local call termination, consistent with the Commission's interim policy;

- b) The parties have agreed in Section III.B to a single point of interconnection for each Pacific Bell access tandem where TCG and Pacific interconnect for the exchange of local traffic;
- c) The parties have agreed in Sections V.D and XIV to maintain facilities in a fair and equitable manner and to ensure that all trouble reports are resolved in a timely and appropriate manner;
- d) The parties have agreed in Section III.D to the use of two-way trunks;
- e) The parties have agreed in Section V.B.5 to provide quarterly percentage local usage (PLU) reports and have agreed in Section VII.B to a methodology for requesting audits of usage reports;
- f) The parties have agreed in Section III.A to allow interconnection at each access tandem within the LATAs where each will provide local exchange competition in competition with one another;
- g) The parties have agreed in Section III.E to use a digital hand-off utilizing SS7 protocol;
- h) The parties have agreed in Sections V.B.1 and V.B.2 to use bill and keep for local call termination in Zone 1, 2 and 3 and for Extended Area Service, as required by the Commission's interim rules, and have agreed in Sections V.F.2 and V.G to compensate each other at Pacific Bell's tariffed rates for Busy Line Verification, Busy Line Verification and Interrupt and Directory Assistance;
- i) The parties have agreed in Section XXII to symmetrical nondisclosure arrangements for the use of confidential information;
- j) The parties have agreed in Section XVIII to symmetrical obligations for liability; and
- k) The parties have agreed in Section VIII to a one-year term for the Agreement, without any termination prior to March 1, 1997, and have not given either party the right to unilaterally terminate the Agreement without a replacement method of interconnection in place. In addition, the parties have provided in Section XXIII a dispute resolution mechanism that

Mr. John M. Leutza January 17, 1996 Page 3

specifically incorporates the Dispute Resolution procedures set forth at pages 36 to 39 of the Decision.

As can be seen by the foregoing descriptions of various sections of the Agreement, TCG and Pacific Bell have specifically complied with each and every one of the preferred outcomes in the Decision. The Agreement thus complies with the Commission's stated goal of protecting the public interest by ensuring that such Agreements are not unduly discriminatory or anticompetitive. (Decision, p. 40.) The public interest would be served if this Agreement were to be allowed to go into effect under the expedited review procedure.

Other than requesting approval under the 14-day expedited review procedure, this advice letter contains all of the information normally required for Agreements filed under GO 96-A. No tariff sheets have been submitted with this advice letter. This filing will not increase any existing rate or service, cause the withdrawal of service, or conflict with any of TCG's or Pacific's other schedules or rules.

Pursuant to the expedited review procedure set forth in the Decision, TCG and Pacific request that the interconnection Agreement submitted with this advice letter become effective on January 31, 1996, fourteen (14) days after the filing of the advice letter.

In compliance with General Order 96-A and the Decision, copies of this advice letter and the Interconnection Agreement are being mailed to all LECs and CLCs, and to other interested parties requesting such notification.

Anyone may protest this advice letter to the California Public Utilities Commission. The protest must set forth the specific grounds on which it is based, any such protest may only address provisions of the Agreement that are alleged to be anticompetitive or unduly discriminatory. A protest must be made in writing and must be filed within seven (7) days of the date this advice letter was filed with the Commission. The address for mailing and delivering a protest to the Commission is:

¹ In addition to compliance with all of the "preferred outcomes," the Agreement submitted here is mutually agreeable to the parties and passes all of the Commission tests outlined in the Decision, pursuant to Ordering Paragraph 4 of the Decision.

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> Chief, CACD Telecommunications Branch California Public Utilities Commission 505 Van Ness Avenue, Room 3203 San Francisco, CA 94102

A copy of any protest must be mailed to TCG and Pacific on the same date as it is mailed or delivered to the Commission. The address for mailing or delivering a protest to TCG is:

Michael Morris
Director of Regulatory Affairs, Western Region
Teleport Communications Group
201 North Civic Dr., Suite 210
Walnut Creek, CA 94596

with a separate copy to:

Joseph S. Faber, Esq. Davis Wright Tremaine 235 Pine Street, Suite 1500 San Francisco, CA 94104

The address for mailing or delivering a protest to Pacific is

A. E. Swan
Executive Director
Pacific Bell
140 New Montgomery St, Room 1822
San Francisco, CA 94105

with a separate copy to:

Theresa L. Cabral, Esq. Senior Counsel Pacific Bell 2600 Camino Ramon, Room 2W806 San Ramon, CA 94583 John M. Leutza January 17, 1996 Page 5

If you have any further questions regarding this advice letter, please contact either of us After filing the advice letter, please return a file-stamped copy of the advice letter in the enclosed envelope. Thank you for your assistance in this matter

Very truly yours,

For TCG:

Joseph S. Faber

DAVIS WRIGHT TREMAINE

Cabral

For Pacific Bell:

Theresa L. Cabral

Senior Counsel

Enclosure

cc:

Michael Morris

A. E. Swan

Service List

R.95-04-043/I.95-04-044 Service List

MFS Intelenet of California, Inc. Andrew D. Lipman Richard M. Rindler James C. Falvey Swidler & Berlin, Chartered 3000 K Street, N.W., Suite 300 Washington, D.C. 20007

Brooks Fiber Communications of Sacramento, Inc. James M. Tobin Mary E. Wand Morrison & Foerster 345 California St. San Francisco, CA 94104

Brooks Fiber Communications of Fresno, Inc. James M. Tobin Mary E. Wand Morrison & Foerster 345 California St. San Francisco, CA 94104-2675

Brooks Fiber Communications of Bakersfield, Inc. James M. Tobin Mary E. Wand Morrison & Foerster 345 California St. San Francisco, CA 94104-2675

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David A. Shafer Info-Tech Communications 1515 Lincoln Way Auburn, CA 95603

Associated Group, Inc. dba Associated Communications of Los Angeles David A. Simpson Young, Vogl, Harlick & Wilson 425 California St., Suite 2500 San Francisco, CA 94104 Donald M. Dallas Viacom Communications Inc. P.O. Box 13 Pleasanton, CA 94566

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INTERCONNECTION AGREEMENT

January 17, 1996

Pursuant to this Interconnection Agreement ("Agreement"), TCG-San Francisco, TCG-Los Angeles, and TCG-San Diego (individually or collectively, "TCG") and Pacific Bell (collectively the "Parties") agree to interconnect with each other within each LATA in which they both operate within the State of California, as described and according to the terms, conditions and pricing specified hereunder

I. RECITALS & PRINCIPLES

WHEREAS, the Parties seek to accomplish interconnection in a technically and economically efficient manner; and

WHEREAS, the public will benefit if the local exchange networks of the Parties are interconnected so that customers of each carrier can seamlessly receive calls that originate on the other carrier's network and place calls that terminate on the other carrier's network;

WHEREAS, the California Public Utilities Commission ("Commission") has issued its Interim Opinion in D.95-12-056 ("Opinion") in which it resolves issues related to CLC-LEC interconnection; and

WHEREAS, the Commission has created an expedited 14-day contracting process for interconnection agreements between Competitive Local Carriers ("CLCs") and Local Exchange Carriers ("LECs"); and

WHEREAS, Pacific and TCG wish to utilize this expedited contractual process; and,

WHEREAS, TCG and Pacific have agreed on interconnection terms and conditions incorporating the Commission's Preferred Outcomes for Interconnection Contracts (Opinion, Appendix A).

NOW, THEREFORE, in consideration of the mutual provisions contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, TCG and Pacific hereby covenant and agree as follows:

II. DEFINITIONS

- A. "Bill and keep" means a form of compensation for the termination of local traffic, as defined in by the Commission in D. 95-12-056, Appendix C, page 13.
- B. "Calling Party Number" or "CPN" is a Common Channel Signaling parameter which refers to the number transmitted through the network identifying the calling party.

C. "Central Office Switch", "Central Office" or "CO" means a switching entity within the public switched telecommunications network, including but not limited to:

"End Office Switches" which are Class 5 switches from which end user Exchange Services are directly connected and offered.

"Tandem Office Switches" which are Class 4 switches which are used to connect and switch trunk circuits between and among Central Office Switches

- D. "Charge Number" is a CCS signaling parameter which refers to the number transmitted through the network identifying the billing number of the calling party.
- E. "CLASS Features" mean certain CCS-based features available to end users.

 CLASS features include, but are not necessarily limited to: Automatic Call Back;

 Call Trace; Caller ID and Related Blocking Features; Distinctive Ringing/Call

 Waiting; Selective Call Forward; Selective Call Rejection.
- F. "Centralized Message Distribution System" ("CMDS") is the transport system that the RBOCs and other incumbent LECs use to exchange outcollect and Carrier Access Billing System ("CABS") access messages among each other and other parties connected to CMDS.
- G. "Commission" means the California Public Utilities Commission.
- H. "Common Channel Signaling" or "CCS" means a method of digitally transmitting call set-up and network control data over a special network fully separate from the public switched network elements that carry the actual call.
- I. "Control Office" is an exchange carrier center or office designated as its company's single point of contact for the provisioning and maintenance of its portion of interconnection arrangements
- J. "DS-1" is a digital signal rate of 1.544 Megabits Per Second ("Mbps").
- K. "DS-3" is digital signal rate of 44.736 Mbps.
- L. "Electronic File Transfer" refers to any system/process which utilizes an electronic format and protocol to send/receive data files
- M. "Exchange Service" means a service offered to end users which provides the end user with a telephonic connection to, and a unique local telephone number address on, the public switched telecommunications network, and which enables such end user to generally place calls to, or receive calls from, other stations on the public switched telecommunications network Exchange Service includes basic residence

- and business line service, PBX trunk line service, pay phone line service, Centrex line service and ISDN line services. Exchange Service does not include Private Line, Switched and Special Access services
- N. "Expanded Interconnection Service" or "EIS" is the collocation arrangement which Pacific provides in its designated Pacific wire centers, and shall have the same meaning as set forth in Pacific's CPUC Tariff 175-T, Sec. 16 (Advice Letter No. 17501).
- O. "Interconnection" means the connection of separate pieces of equipment, transmission facilities, etc., within, between or among networks.
- P. "Interexchange Carrier" or "IXC" means a provider of stand-alone interexchange telecommunications services.
- Q. "ISDN" means Integrated Services Digital Network, which is a switched network service providing end-to-end digital connectivity for the simultaneous transmission of voice and data.
- R. "Local Exchange Routing Guide" or "LERG" is a Bellcore reference typically used by LECs, IXCs and CLCs to identify NPA-NXX routing and homing information as well as network element and equipment designations.
- S. "Local Exchange Carrier" or "LEC" and "Competitive Local Carrier" or "CLC" shall have the meanings as set forth in the Commission's Rules for Local Competition, Opinion, App. C, Sections 3.A and B, respectively.
- T. "Local Interconnection Trunks/Trunk Groups" provide for the termination of local exchange traffic and intraLATA toll telephone traffic.
- U. "Meet-Point Billing" refers to an arrangement whereby two local carriers (including a LEC and a CLC) jointly provide Switched Access Service to one of the carrier's end office switches, with each carrier receiving, by mutual agreement, an appropriate share of their tariffed transport element revenues.
- V. "MECAB" refers to the Multiple Exchange Carrier Access Billing document prepared by the Billing Committee of the Ordering and Billing Forum ("OBF"), which functions under the auspices of the Carrier Liaison Committee of the Alliance for Telecommunications Industry Solutions ("ATIS"). The MECAB document, published by Bellcore as Special Report SR-BDS-000983, contains the recommended guidelines for the billing of an access service provided by two or more local carriers (including a LEC and a CLC), or by one LEC in two or more states within a single LATA.

- W. "MECOD" refers to the Multiple Exchange Carriers Ordering and Design Guidelines for Access Services Industry Support Interface, a document developed by the Ordering/Provisioning Committee under the auspices of the OBF, which functions under the auspices of the Carrier Liaison Committee of the ATIS. The MECOD document, published by Bellcore as Special Report SR STS-002643, establishes methods for processing orders for access service which is to be provided by two or more local carriers (including a LEC and a CLC).
- X. "NANP" means the "North American Numbering Plan", the system of telephone numbering employed in the United States, Canada, and certain Caribbean countries.
- Y. "Numbering Plan Area" or "NPA" is also sometimes referred to as an area code. This is the three digit indicator which is defined by the "A", "B" and "C" digits of each 10-digit telephone number within the NANP. Each NPA contains 800 possible NXX Codes. There are two general categories of NPA. "Geographic NPA" is associated with a defined geographic area, and all telephone numbers bearing such NPA are associated with services provided within that Geographic area. A "Non-Geographic NPA", also known as a "Service Access Code" ("SAC Code") is typically associated with a specialized telecommunications service which may be provided across multiple geographic NPA areas; 500, Toll Free Service NPAs, 900, and 700 are examples of Non-Geographic NPAs.
- Z. "NXX", "NXX Code", "Central Office Code" or "CO Code" is the three digit switch entity indicator which is defined by the "D", "E" and "F" digits of a 10-digit telephone number within the NANP. Each NXX Code contains 10,000 station numbers.
- AA. "Percent Local Usage" or "PLU" is a calculation which represents the ratio of the local minutes to the sum of local and intraLATA toll minutes between exchange carriers sent over Local Interconnection Trunks. Directory assistance, BLV/BLVI, 900, 976, transiting calls from other exchange carriers or wireless carriers, and switched access calls are not included in the calculation of PLU.
- BB. "Rating Point" is the V&H coordinates associated with a particular telephone number for rating purposes.
- CC. "Routing Point" means a location which a LEC or CLC has designated on its own network as the homing (routing) point for traffic inbound to Exchange Services provided by the LEC or CLC which bear a certain NPA-NXX designation. The Routing Point is employed to calculate mileage measurements for the distance-sensitive transport element charges of Switched Access Services. The Routing Point need not be the same as the Rating Point, nor must it be located within the rate center area, but must be in the same LATA as the NPA-NXX.

- DD. "Signal Transfer Point" or "STP" performs a packet switching function that routes signaling messages among Service Switching Points ("SSPs"), Service Control Points ("SCPs"), Signaling Points ("SPs"), and other STPs in order to set up calls and to query databases for advanced services.
- EE. "Switched Access Service" means an offering of facilities for the purpose of the origination or termination of traffic from or to Exchange Service customers in a given area pursuant to a Switched Access tariff. Switched Access Services include: Feature Group A, Feature Group B, Feature Group D, Toll Free Service, and 900 access. Switched Access does not include traffic exchanged between LECs and CLCs for purpose of local exchange interconnection.
- FF. "Transit Rate" is the rate that applies to local and toll calls sent between a LEC and a CLC destined for a third-party LEC or CLC.
- GG. "Toll Free Service" means service provided with any dialing sequence that invokes toll-free (i.e. 800-like) service processing. Toll Free Service includes calls to the Toll Free Service 800/888 NPA SAC codes.
- HH. "Wire Center" denotes a building or space within a building which serves as an aggregation point on a given carrier's network, where transmission facilities and circuits are connected or switched. Wire center can also denote a building in which one or more Central Offices, used for the provision of Exchange Services and access services, are located. However, for purposes of EIS, Wire Center shall mean those points eligible for such connections as specified in the FCC Docket No. 91-141, and rules adopted pursuant thereto.

III. TECHNICAL PROVISIONS

This Agreement covers the initial tandem-level interconnection between the Parties. Interconnection At All Pacific Tandems Within Each LATA:

Each TCG business entity (TCG-San Francisco, TCG-Los Angeles, and TCG-San Diego) will interconnect with each and every Pacific access tandem in the LATA(s) in which it originates traffic and interconnects with Pacific. TCG may not route Local Interconnection traffic to a Pacific access tandem destined for an NXX which subtends another tandem.

A. TCG and Pacific agree to interconnect their networks through existing facilities between the TCG switches and the corresponding Pacific access tandems set forth in the following table. Logical trunk groups will be established referencing the appropriate TCG Routing Point and Pacific access tandem.

TCG Switches	TCG Routing Point	POI	Pacific Access Tandem
SNFCCAFJDS0	SNFCCA211KD	SNFCCA21W57	SNFCCA2143T
SNFCCAFJDS0	SNFCCA211KD	SNFCCA21W57	EURKCA0141T
SNFCCAFJDS0	SNFCCA211KD	SNFCCA21W57	SNRSCA0130T
SNFCCAFJDS0	OKLDCA031KD	OKLDCA03W36	OKLDCA0349T
SNFCCAFJDS0	SNTCCA011KD	SNTCCA01W30	SNTCCA0148T
LSAGCAJNDS0	LSANCA041KD	LSANCA01W10	LSANCA0470T
LSAGCAJNDS0	SNMNCAXPIKD	LSANCA01W10	LSANCA0470T
LSAGCAJNDS0	LNBHCAXP1KD	LSANCA01W10	LSANCA0470T
LSAGCAJNDS0	ANHMCA021KD	ANHMCA01W44	ANHMCA0295T
LSAGCAJNDS0	GRDNCA031KD	GRDNCA01W27	GRDNCA0386T
LSAGCAJNDS0	SHOKCA051KD	SHOKCA01W13	SHOKCA0589T
SNDACA96DS0	SNDGCA021KD	SNDGCA02W47	SNDGCA0290T
SNDACA96DS0	SNDGCA022KD	SNDGCA02W47	SNDGCA0291T

Nothing in the foregoing restricts either Party from ordering and establishing additional TCG - Pacific access tandem trunk groups in addition to the initial combinations described above.

- B. <u>Single POI Model</u>. For each Pacific access tandem where TCG and Pacific interconnect for the exchange of local and intraLATA toll and meet point Switched Access traffic, TCG and Pacific agree that there will be a single Point of Interconnection ("POI") located at the Point of Termination Bay ("POT Bay") between TCG's EIS in Pacific's wire center and Pacific's tandem switch.
- C. <u>Sizing and Structure of Interconnection Facilities</u>. The Parties will mutually agree on the appropriate sizing for facilities based on the standards set forth in Section XII, below. The interconnection facilities provided by each Party shall be superframe with Alternate Mark Inversion Line Code and Superframe Format Framing ("AMI") at either the DS-1 or DS-3 level, according to mutual forecasts and sound engineering practice, as mutually agreed to by the Parties during planning forecasting meetings.

- D. <u>Two-Way Trunks</u>. Interconnection will be provided via two-way trunks. Two-way trunks will be established to exchange local and intraLATA toll and meet point Switched Access traffic.
- E. <u>Signaling Protocol</u>. The Parties will interconnect their networks using SS7 signaling as defined in GR-317 and GR-394, including ISDN User Part ("ISUP") for trunk signaling and Transaction Capabilities Application Part ("TCAP") for CCS-based features

IV. MEET-POINT TRUNKING ARRANGEMENTS

- A. Two-way trunks will be established to enable TCG and Pacific to jointly provide Feature Group B and D ("FGB" and "FGD") Switched Access Services via a Pacific access tandem switch.
- B. TCG may use meet point trunks to send and receive FGB and FGD calls from Switched Access customers connected to Pacific's access tandem.
- C. TCG will interconnect two-way trunk groups at each and every Pacific access tandem under which TCG's NXXs home using DS-1 or DS-3 facilities separate from the facilities used for Local Interconnection Trunk Groups. Neither Party will charge the other any amout for any meet point facilities.
- D. In the case of Switched Access Services provided through Pacific's access tandem, Pacific will not offer blocking capability for interexchange carrier traffic delivered to Pacific's tandem for completion on TCG's network. Pacific and TCG understand and agree that meet point trunking arrangements are available and functional only to/from Switched Access customers who directly connect with the tandem(s) that TCG sub-tends in each LATA. In no event will Pacific be required to route such traffic through more than one tandem for connection to/from Switched Access customers. Pacific shall have no responsibility to ensure that any Switched Access customer will accept traffic TCG directs to the Switched Access customer.
- E. The Parties will provide CCS to one another, where and as available, in conjunction with meet point two-way trunk groups. TCG may establish CCS interconnections either directly or through a third-party, such as ITN, provided such third-party is interconnected with Pacific pursuant to PUB L 780023-PB/NB. The Parties will cooperate in the exchange of TCAP messages to facilitate full inter-operability of CCS-based features between their respective networks, including all CLASS features and functions, to the extent each carrier offers such features and functions to its own end users. TCG will provide all CCS signaling including Charge Number, originating line information ("OLI"), etc. For terminating FGD, Pacific will pass CPN if it receives CPN from FGD carriers. All privacy indicators will be honored. Where available, network signaling information

such as Transit Network Selection ("TNS") parameter (CCS platform) and CIC/OZZ information (non-CCS environment) will be provided by TCG wherever such information is needed for call routing or billing. The Parties will follow all OBF adopted standards pertaining to TNS and CIC/OZZ codes.

- F. Common channel signaling shall be utilized in conjunction with meet point trunks; except multifrequency ("MF") signaling must be used on a separate meet point trunk group for originating FGD access to Switched Access customers that use MF FGD signaling protocol.
- G. All originating Toll Free Service calls for which Pacific performs the Service Switching Point ("SSP") function (e.g. performs the database query) shall be delivered by TCG using GR-394 format over the meet point trunk group. Carrier Code "0110" and Circuit Code of "08" shall be used for all such calls.
- H. All originating Toll Free Service calls for which TCG performs the SSP function, if delivered to Pacific, shall be delivered by TCG using GR-394 format over the meet point trunk group for calls destined to IXCs, or shall be delivered by TCG using GR-317 format over the Local Interconnection Trunk Group for calls destined to end offices that directly subtend Pacific access tandems.
- I. Originating Feature Group B calls delivered to Pacific's tandem shall use GR-317 signaling format unless the associated FGB carrier employs GR-394 signaling for its FGB traffic at the serving Pacific access tandem.
- J. TCG and Pacific shall use their best efforts to negotiate the terms and conditions for meet point billing, including, but not limited to, the meet point billing options, bill period, and exchange of usage and billing data, and to sign such an agreement within 30 days of the effective date of this agreement. Backbilling will apply to any meet point billing traffic exchanged by the Parties prior to execution and approval of the meet point billing agreement. Such backbilling will be calculated pursuant to the terms of the agreement, based on the Parties' tariffed Switched Access rates

V. LOCAL INTERCONNECTION TRUNK ARRANGEMENT

A. Description.

The Parties shall reciprocally terminate local exchange traffic and intraLATA toll calls originating on each other's networks, as follows:

1. The Parties shall make available to each other two-way trunks for the reciprocal exchange of local exchange traffic and intraLATA toll traffic.

- 2. The Parties will provide CCS to one another in conjunction with all two-way trunk groups. TCG may establish CCS interconnections either directly or through a third party, such as ITN, provided such third party is interconnected with Pacific pursuant to PUB L-780023-PB/NB. The Parties will cooperate in the exchange of TCAP messages to facilitate full interoperability of CCS-based features between their respective networks, including all CLASS features and functions, to the extent each carrier offers such features and functions to its own end users. All CCS signaling parameters will be provided including CPN. All privacy indicators will be honored.
- 3. TCG will provide Pacific an initial forecast of 64 Kbps Clear Channel Capability ("64K CCC") trunk quantities by April 1, 1996, consistent with the forecasting agreements between the Parties. Upon receipt of this forecast, the Parties will begin joint planning for the engineering, procurement, and installation of the segregated 64K CCC Local Interconnection Trunk Groups, and the associated B8ZS ESF facilities, for the sole purpose of transmitting 64K CCC data calls between TCG and Pacific. In no case will these trunks be used for speech calls. Where additional equipment is required, such equipment would be obtained, engineered, and installed on the same basis and with the same intervals as any similar growth job for IXC, CLC, or Pacific internal customer demand for 64K CCC trunks. Where technically feasible, these trunks will be established as two-way

Orders for 64K CCC Local Interconnection Trunks will be placed by TCG no earlier than May 1, 1996.

- 4. TCG may opt at any time to terminate to Pacific some or all local exchange traffic and intraLATA toll traffic originating on its network, together with Switched Access traffic, via Feature Group D or Feature Group B Switched Access Services. TCG may otherwise purchase these Switched Access Services from Pacific subject to the rates, terms and conditions specified in Pacific's standard intrastate access tariffs.
- 5. Neither Party shall terminate Switched Access traffic over Local Interconnection Trunks.
- 6. Except by mutual agreement, TCG may not terminate third-party LEC or wireless service provider traffic over the Local Interconnection Trunk Groups. However, the Parties agree to renegotiate this restriction if either the FCC or the Commission orders Pacific to provide wireless interconnection with compensation terms other than are currently set forth in Pacific's existing wireless interconnection contracts.

- 7. In addition, the Parties agree to mutually negotiate the termination by TCG of traffic from other CLCs over Local Interconnection Trunk Groups. These negotiations will include, but are not limited to, the issues of network capacity, forecasting, and compensation terms (including calculation and verification of PLU). Such negotiations shall be conducted by the Parties in good faith and consent to the termination of such traffic shall not be unreasonably withheld.
- 8. TCG shall only deliver traffic over the Local Interconnection Trunk
 Group(s) to a Pacific access tandem for those publicly-dialable NPA NXX
 codes served by end offices that directly subtend the access tandem or to
 those wireless service providers that directly subtend the access tandem
- 9. Pacific shall deliver all traffic destined to terminate at a TCG end office in accordance with the serving arrangements defined in the Local Exchange Routing Guide. However, in no case shall Pacific deliver calls destined to terminate at a TCG end office via another LEC's or CLC's end office or tandem. Notwithstanding the foregoing, Pacific shall continue to route calls using the existing DID arrangement to TCG's NPA NXXs until a coordinated cutover can take place.
- 10. Where TCG delivers over the Local Interconnection Trunk group miscellaneous non-local calls (i.e. time, weather, NPA-555, Busy Line Verify/Interrupt, California 900, Mass Calling Codes) destined for Pacific, it shall deliver such traffic in accordance with the serving arrangements defined in the LERG. TCG will block originating 976 calls toward Pacific until the Parties mutually agree by separate agreement on the billing and collection for such calls. The Parties shall use their best efforts to negotiate and execute such an agreement within 30 days of the effective date of this Agreement.
- 11. N11 codes (i.e. 411, 611, 911) shall not be sent between TCG's and Pacific's network over the Local Interconnection Trunk Groups.
- 12. There are certain types of calls that require exchange of billing records between the Parties. These types of calls include: Toll Free Service calls, 900 calls, Feature Group B and D Switched Access calls to and from IXCs, and intrastate alternate billed calls (e.g. calling card, bill-to-third, and collect). The exchange of billing records for calls of this type that are interLATA will be handled through the existing CMDS processes. The payments of revenues for these types of calls will be handled through Calling Card and Third Number Settlement ("CATS").
- 13. For calls of the type described in Paragraph V.A.12 that are intraLATA, the Parties shall use their best efforts to negotiate and execute a separate

agreement, within 30 days from the effective date of this Agreement, for the exchange of billing records and the settlement of revenues between the Parties

B. Compensation for Call Termination

Notwithstanding the following, the Parties agree to amend this Agreement with regard to compensation for the termination of local calls (as described in this section) in accordance with any further Commission decision(s) regarding compensation for local and/or toll call termination between LECs and CLCs.

- 1. The following compensation rates shall apply for traffic carried from TCG to Pacific:
 - a. Bill and Keep: Applicable to all local (Zone Usage Measurement ("ZUM") Zone 1 and ZUM Zone 2), Extended Area Service and ZUM Zone 3 traffic.
 - b. Toll Rate: Applicable to intraLATA toll calls based on intrastate Switched Access rates as described below:
 - Tandem switched transport:
 - Fixed per minute of use.
 - Variable per mile per minute of use.

 Mileage is calculated based on the airline miles between the Vertical and Horizontal ("V&H") coordinates of the access tandem where the Local Interconnection Trunk Group terminates and the Pacific end office.
 - Tandem switching per minute of use
 - Network Interconnection Charge per minute of use
 - Local switching per minute of use with the following sub-elements:

Set-up (per call)

Minutes of Use.

The applicable rates for the above elements can be found in CPUC 175-T Sections 6.8.2 and 6.8.3.

- c. Transit Rate: TCG shall pay a transit rate of \$.0065 per minute when TCG uses a Pacific access tandem to originate a call to a third party LEC, another CLC or another TCG end office. If Pacific enters into an interconnection agreement with another CLC that provides for a transit rate lower than \$.0065, that transit rate will be substituted for the rate set in this paragraph upon the effective date of that agreement. If TCG receives a call through Pacific's access tandem that originates from another CLC, LEC, or wireless provider, TCG will not charge Pacific any rate elements for this call, regardless of whether the call is local or toll. TCG will establish appropriate billing relationships directly with the other CLC, LEC, or wireless provider.
- d. Pacific will not charge TCG for any calls that TCG originates to any wireless provider NPA NXXs that are shown in the LERG as being resident in a Pacific access tandem or in the wireless provider's MTSO(s) which directly subtend the access tandem. However, the Parties agree to renegotiate this arrangement if either the FCC or the Commission orders Pacific to provide wireless interconnection with compensation terms other than are currently set forth in Pacific's existing wireless interconnection contracts.
- 2. The following compensation rates shall apply for traffic carried from Pacific to TCG:
 - a. Bill and Keep: Applicable to all local (ZUM Zone 1 and ZUM Zone 2), Extended Area Service and ZUM Zone 3 traffic.
 - b. Toll Rate: Applicable to intraLATA toll calls, based on TCG's intrastate Switched Access rates as described below.
 - Local Transport Discounted Termination per minute of use
 - End office per minute of use with the following sub-elements:

Set-up (per call)

Minutes of Use

The applicable rates for the above elements can be found in TCG's Tariffs CPUC B-1, Section 2.0.

- c. Transit Rate: Pacific shall pay a transit rate equal to the rate set in Paragraph V.B.1.c when Pacific uses a TCG switch to originate a call to a third party LEC, another CLC or another Pacific access tandem.
- 3. For intraLATA Toll Free Service calls where such service is provided by one of the Parties, the compensation set forth in Sections V.B.1.b and V.B.2.b, above, shall be charged by the Party originating the call rather than the Party terminating the call.
- 4. Each Party will calculate terminating interconnection minutes of use based on standard Automatic Message Accounting ("AMA") recordings made within each Party's network. These recordings are necessary for each Party to generate bills to the other Party.
- 5. Measurement of minutes of use over Local Interconnection Trunk groups shall be in actual conversation seconds. The total conversation seconds over each individual Local Interconnection Trunk Group will be totaled for the entire monthly bill-round and then rounded to the next whole minute.
- 6. Each Party will provide to the other, within 15 calendar days of executing this Agreement and thereafter on a quarterly basis, within 15 calendar days after the end of each quarter, a usage report with the following information regarding traffic terminated over the Local Interconnection Trunk arrangements:
 - a. Total traffic volume described in terms of minutes and messages and by call type (local, toll and other) terminated to each other over the Local Interconnection Trunk Groups, and
 - b. PLU.
- 7. Late payment charges for interconnection charges will be assessed as described in Pacific's CPUC 175-T Section 2.4.1.B and TCG's CPUC B-1 Section 9.2.
- 8. For California 900 calls (those 900 NXXs shown in the LERG as Pacific's 900 NXXs), TCG shall deliver calls originated over TCG-provided exchange services to the Local Interconnection Trunk Groups. For California 900 calls, TCG and Pacific will use their best efforts to negotiate and execute an arrangement for the rating and billing of such calls within 30 days of the execution of this Agreement. Until such agreement is executed, TCG may choose to block such calls, or TCG will agree to backbilling of such calls once the subsequent agreement is executed.

C. Compensation for Use of Facilities for Local Interconnection

- 1. Where the POI for the Local Interconnection Trunk Group is at an EIS arrangement other than in the same wire center as the Pacific access tandem where the Local Interconnection Trunk Group terminates, TCG will pay a monthly charge for the facility and EIS cross-connect equal to one channel termination at DS-1 rates (per DS-1 used for Local Interconnection Trunks) or DS-3 rates (per DS-3 used for Local Interconnection Trunks) according to Pacific's CPUC 175-T tariff, Section 6.8.2., in addition to the Switched Access elements in Paragraph V.B.1.b above. TCG may, at its option, choose to pay Pacific either the applicable Pacific tariffed DS-1 rates for those DS-1(s) used for Local Interconnection Trunks in a DS-3 facility, or pay the applicable Pacific tariffed DS-3 rate for each DS-3 facility used for Local Interconnection Trunks between the Parties
- 2. Where the POI for the Local Interconnection Trunk Group is at an EIS arrangement in the same wire center as the Pacific access tandem where the Local Interconnection Trunk Group terminates, Pacific will pay TCG a monthly charge of one channel termination according to TCG's CPUC B-1 tariff, Section 1.6 (applicable to Pacific's territory), in addition to the Switched Access elements in Paragraph V.B.2.b above. Pacific may, at its option, choose to pay TCG either the applicable TCG tariffed DS-1 rates for those DS-1(s) used for Local Interconnection Trunks in a DS-3 facility, or pay the applicable TCG tariffed DS-3 rate for each DS-3 facility used for Local Interconnection Trunks between the Parties.

D. Maintenance of Service

A maintenance of service charge applies whenever either Party requests the dispatch of the other Party's personnel for the purpose of performing maintenance activity on the interconnection trunks, and any of the following conditions exist:

- 1. No trouble is found in the interconnection trunks; or
- 2. The trouble condition results from equipment, facilities or systems not provided by the Party whose personnel were dispatched; or
- 3. Trouble clearance did not otherwise require a dispatch, and upon dispatch requested for repair verification, the interconnection trunk does not exceed Maintenance Limits

If a Maintenance of Service initial charge has been applied and trouble is subsequently found in the facilities of the Party whose personnel were dispatched, the charge will be canceled.

Billing for Maintenance of Service is based on each half-hour or fraction thereof expended to perform the work requested. The time worked is categorized and billed at one of the following three rates:

- 1. basic time;
- 2. overtime; or
- 3. premium time

as defined for billing by Pacific in Pacific's tariff CPUC 175-T, Section 13 and in TCG's tariff CPUC A-1, Section 1.9.

E. End User Repair Call Referrals

- 1. In answering repair calls, neither Party shall make disparaging remarks about each other, nor shall they use these repair calls as the basis for internal referrals or to solicit customers to market services. Either Party may respond with factual information in answering customer questions.
- 2. TCG and Pacific will provide their respective repair numbers to one another on a reciprocal basis.

F. Busy Line Verification and Interrupt.

1. Description

- a. Each Party shall establish procedures whereby its operator bureau will coordinate with the operator bureau of the other Party in order to provide Busy Line Verification ("BLV") and Busy Line Verification and Interrupt ("BLVI") services on calls between their respective end users. TCG will use its best efforts to implement this service in the second quarter of 1996. Until TCG implements this service, Pacific's operators will inform Pacific's customers that the number requested cannot be verified.
- b. BLV and BLVI inquiries between operator bureaus shall be routed using network-routable access codes published in the LERG over the Local Interconnection Trunks.

2. <u>Compensation</u>

Each Party shall charge the other Party for BLV and BLVI at the rates contained in their respective tariffs.